



Florida Brazil Bilateral Trade Advances for Second Consecutive Year

Exports led by capital goods and aircraft; imports surge 23 percent

Bilateral trade between Florida and Brazil rose to a record high of US \$22.6 billion during 2022, a 6.5 percent increase over 2021, buoyed by strong exports of US-made capital goods and aircraft. Florida exports to Brazil rose 2.3 percent in 2022 to US \$17.3 billion following a 24.5 percent jump in 2021. Exports were strong across most industry groups in 2022, but overall were dampened by a US \$1.9

Florida-Brazil Bilateral Trade

Florida Exports To Brazil

2022/2021

<i>millions US \$</i>	2020	2021	2022	% chg.	2022: Q1	2023: Q1	% chg.
All Commodities	13,479.4	16,903.5	17,296.3	2.3%	3,825.3	4,300.6	12.4%
Aircraft and parts	4,168.1	4,019.1	4,581.1	14.0%	917.4	1,136.3	23.9%
Industrial machinery, incl. computers	2,350.1	2,678.2	3,146.4	17.5%	717.5	794.0	10.7%
Electrical machinery and equipment	2,507.0	2,879.1	3,033.6	5.4%	716.2	761.0	6.2%
Optical, photo, medical & surgical equip.	928.7	1,088.8	1,272.5	16.9%	294.6	328.4	11.5%
Fertilizers	511.4	835.5	1,138.4	36.3%	249.0	208.9	-16.1%
Motor vehicles and parts	242.3	360.2	598.9	66.3%	139.5	201.8	44.7%
Miscellaneous chemical products	460.1	603.2	578.3	-4.1%	124.5	158.9	27.5%
Pharmaceutical products	423.4	2,305.6	417.6	-81.9%	101.7	134.0	31.8%
Plastic and plastic products	244.2	291.2	352.6	21.1%	80.0	69.6	-12.9%
Organic chemicals	233.0	265.1	240.5	-9.3%	65.5	64.0	-2.2%
All other commodities	1,411.2	1,577.5	1,936.4	22.8%	419.4	443.7	5.8%
Addendum: Capital goods, exc'l aircraft	4,857.1	5,557.4	6,180.0	11.2%	1,433.8	1,554.9	8.5%

Florida Imports From Brazil

2022/2021

<i>millions US \$</i>	2020	2021	2022	% chg.	2022: Q1	2023: Q1	% chg.
All Commodities	4,567.8	4,350.9	5,336.1	22.6%	1,042.6	1,412.1	35.4%
Special classification commodities (1)	1,253.7	1,049.9	1,279.4	21.9%	296.7	355.3	19.8%
Aircraft and parts	1,389.2	849.6	916.7	7.9%	75.4	209.5	177.9%
Wood, articles of wood; charcoal	238.0	334.8	415.4	24.1%	119.3	59.7	-50.0%
Wood pulp; paper and paperboard	124.7	231.0	365.2	58.1%	82.6	116.0	40.5%
Prepared vegetables, fruit, nuts, etc.	93.8	169.7	345.0	103.3%	39.3	163.6	316.3%
Industrial Machinery, incl. computers	204.3	251.0	231.7	-7.7%	58.1	102.2	75.9%
Arms, ammunition, parts, and accessories	144.6	200.1	190.4	-4.8%	54.3	42.0	-22.7%
Essential oils, perfumery and cosmetics	83.6	89.5	144.7	61.6%	31.2	52.1	67.0%
Electrical machinery and equipment	255.5	108.6	137.6	26.6%	16.9	43.2	155.6%
Motor vehicles and parts	55.4	105.8	93.0	-12.1%	22.2	29.0	30.4%
All other commodities	725.0	960.8	1,217.0	26.7%	246.6	239.5	-2.9%

Note: Exports and imports recorded at Florida Customs District Ports

Source: World Institute for Strategic & Economic Research

(1) Commodities that were previously exported; imports that fall under special trade agreements; commodities that may receive special treatment for whatever reason, or commodities that are not elsewhere specified or indicated.



Florida's Top Trading Partners in 2022

Export Trading Partners

	<i>bil. US\$</i>
Brazil	17.30
Colombia	5.54
Chile	4.70
Dominical Republic	4.41
Argentina	4.18
Costa Rica	3.28
United Kingdom	3.17
Peru	2.79
Honduras	2.34
Panama	2.15

Import Trading Partners

	<i>bil. US\$</i>
China	9.39
Japan	5.98
Chile	5.67
Mexico	5.51
Brazil	5.34
Colombia	4.46
Dominical Republic	4.33
Germany	4.32
Italy	3.47
Vietnam	3.34

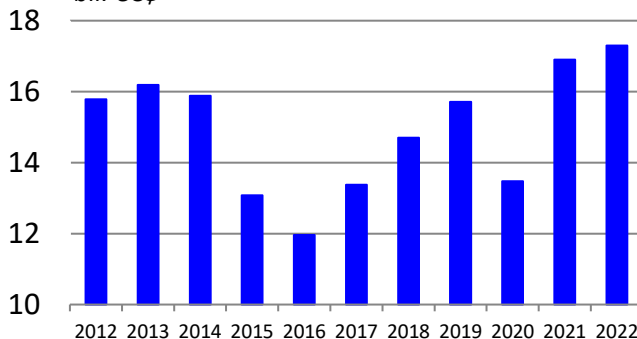
Note: Exports and imports recorded at Miami and Tampa customs districts

Source: World Institute for Strategic & Economic Research; BACCF

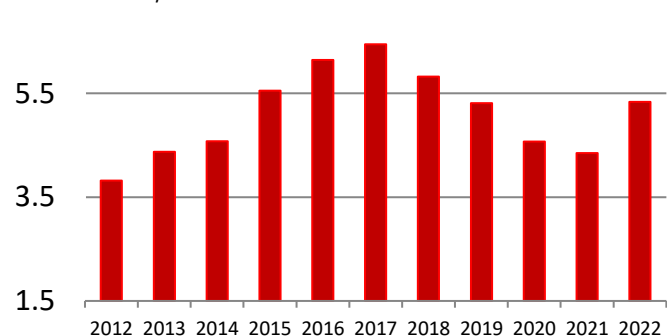
billion drop of Brazilian purchases of pharmaceutical products which had spiked during the COVID pandemic in 2021. Meanwhile, Florida imports of goods from Brazil advanced a strong 22.6 percent last year to a level of US \$5.3 billion. Imports were led by a surge in purchases of prepared vegetables, fruit, and nuts, which more than doubled from 2021 levels to US \$345 million.

Strong demand for Brazilian wood pulp, paper and paperboard rose 58 percent during 2022 to a level of US\$ 365 million, more than twice the level of just two years ago. The nearly US \$1 billion leap in imports follows two consecutive years of decline and was aided in part by a favorable exchange rate that averaged R \$5.17/US \$1.00 over the course of the year. Florida-Brazil bilateral trade represented 24.4 percent of total US-Brazil merchandise trade in 2022, which is somewhat below the 29.6 percent average over the previous ten years. However, approximately 40 percent of total US exports to Brazil continue to pass through Florida's ports. Brazil was Florida's largest export trading partner in 2022 with exports of US \$17.3 billion while Brazil ranked fifth in terms of imports entering Florida ports during the year, which totaled US \$5.3 billion. Florida's exports to Brazil were dominated by an 11.2 percent increase in capital goods totaling nearly US \$6.2 billion, a nine-year high. The robust demand for mainly industrial and electrical machinery and equipment is surprising given relatively flat fixed capital investment in Brazil during 2022 which was accompanied by weak domestic capital goods production and declining industrial output overall. Florida exports of aircraft and parts to Brazil advanced a strong 14 percent to US \$4.6 billion following two years

Florida Exports to Brazil
bil. US\$

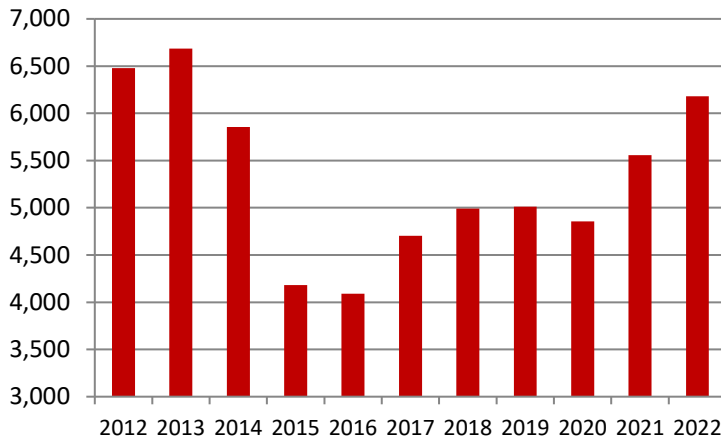


Florida Imports from Brazil
bil. US\$





Florida Exports to Brazil:
Capital Goods, excluding Aircraft
millions US\$

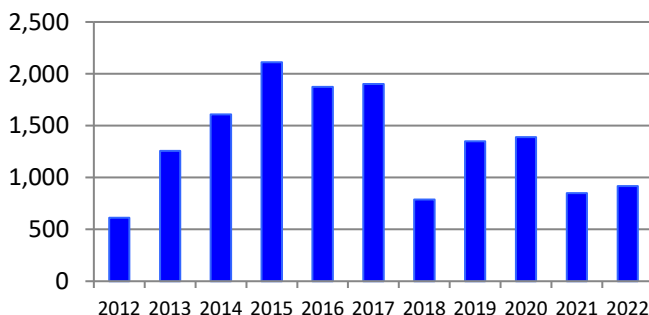


of declines. This increase reflects post-pandemic demand for aircraft amid a resumption of aviation activity, including maintenance and repair, over the past year. Sales of US-made aircraft and parts, consistently the largest single component of Florida exports to Brazil in 2022. Boeing and, to a lesser extent, defense-related Lockheed-Martin are the principal suppliers of aircraft and parts to the Brazilian market comprised of over 22,000 aircraft, 640 of which are commercial. Brazil is one of the top export destinations

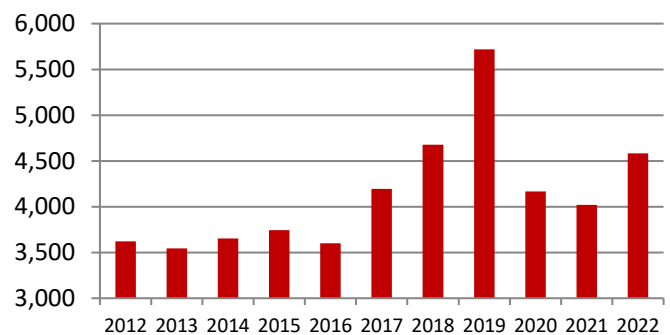
of US-made aircraft products and is the 15th largest importer of aircraft parts in the world. Currently, Embraer, Brazil's principal aircraft manufacturer, imports approximately 56 percent of its components from North America, mostly from the US. Exports of US fertilizers rose a strong 36 percent in 2022 to a level of US \$1.14 billion, or by US \$303 million reflecting strong demand for Brazil's vast soybean and other crops amid global disruptions of fertilizer supply chains. On the downside, exports of pharmaceutical products to Brazil plunged nearly US \$1.9 billion, or 82 percent as Covid-related demand ceased as the pandemic drew to a close.

On the import side, US purchases of prepared vegetables, fruits, nuts, and edible plants surged over 100 percent or by US \$175 million to a level of US \$345 million. Imports of Brazilian wood, wood articles, and charcoal leapt 58 percent to US \$365.2 million. The gains in these two categories accounted for nearly a third of last years increase in imports from Brazil. Imports of aircraft and parts advanced 7.9

Florida Imports from Brazil:
Aircraft, Spacecraft & Parts
millions US\$

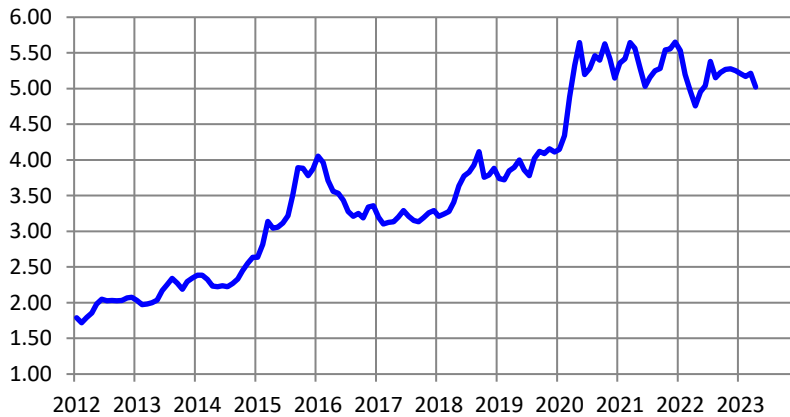


Florida Exports to Brazil:
Aircraft, Spacecraft & Parts
millions US\$





Exchange Rate: BRL/USD
monthly average through April 2023



percent US \$916.7 million. Part of this increase reflects a resumption of deliveries of Brazil's Embraer aircraft, which had slowed during the pandemic.

Looking ahead to 2023, exports advanced 12.4 percent in the first quarter compared to the same period in 2022, driven mostly by a US \$2.2 billion gain in sales of aircraft and parts and a US \$1.2 billion gain in exports of capital goods. In the first quarter, Imports

from Brazil advanced a strong 35.4 percent led by a US \$134 million leap in purchases of Brazilian aircraft and parts and a US \$124 million increase in imports of prepared vegetables, fruit and nuts.

In 2022, trade flows between Florida and Brazil, mostly unburdened by the effects of the pandemic, appear to have resumed their normal cyclical behavior while demand for imports and exports is being influenced by the economic operating environments of both places, rather than exogenous one-time events. The resumption of trade in aircraft and parts is a prime example of this shift and a return to normalcy. So too is the sharp drop in exports of pharmaceutical products to more normal levels following a pandemic-induced spike in 2021. But although the pandemic effects on trade have largely faded, current forecasts of GDP growth in both the US and Brazil this year are just below 1.0 percent, an outlook that may inhibit bilateral trade during the rest of 2023. Meanwhile the BRL/USD is set to maintain its current trading range of R\$4.90-5.10/US\$1.00 over the balance of the year as the Brazilian currency will be supported by attractive real interest rates, although government influence on monetary policy may limit its upside potential.